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Social Justice vs Development

THE Government of India expect to take over the scheduled air services by June 1," Shri Jagjivan Ram, Minister for Communications, announced at a press conference in Calcutta. A Bill to provide for the establishment of two corporations on the model of the DVG, one for the internal and the other for the international services, will be introduced in the present session of the Parliament. This is itself a departure from the present trend for Government undertakings which are being formed into joint stock companies with the President of India holding all the shares except one.

The Planning Commission provided Rs 9.5 crores for these corporations out of which credit for Rs 1.25 crores has been taken in the budget. The existing air companies do not have adequate resources, nor are they in a position to raise further capital for re-equipment and expansion. Hence their nationalisation. The report on the Activities of the Communications Ministry states that the Government considered that if it were to provide a large sum for the purchase of new aircraft for the air transport industry, it would be in the public interest for it to assume management of the industry as well as ownership.

This is not, however, the whole argument. For, in that case, with the loans already given to the Steel Companies and further loans now proposed—what else is Government guarantee for World Bank Loans?—the Government will have to take over the steel industry also. A further argument in the case of air services is that nationalisation will achieve the necessary co-ordination and consequently secure economy. Shri jagjivan Ram held forth alluring prospects of expansion of the night airmail service after nationalisation, to link cities like Calcutta and Delhi directly, for example, in the first instance,

This much for nationalisation of air transport. On the other hand, the Technical Mission appointed by the Government of India to report on a new iron and steel plant under Government ownership and management has turned down the proposal, on the ground that it would be too expensive and uneconomical in the present conditions. The Mission has, therefore, recommended further expansion of their steel producing capacity by the Indian Iron and Steel Co and setting up a pig iron plant to be integrated with the Sindri Fertiliser Factory". Those who had thought when the Technical Mission was appointed—this paper among others—that it was yet another proposal that did not mean anything, were perhaps right in that it is not a Government steel plant that the Mission has recommended. But they were quite wrong in thinking that the recommendations of the Mission would arouse no enthusiasm among knowledgeable circles. This they have done in ample measure. The association of a World Bank expert made all the difference, for the Mission has not only recommended a further expansion of steel production, but suggested (or recommended?) a fresh loan of Rs 40 crores from the World Bank for the Indian Iron and Steel Co for financing further expansion. There is reason to believe that the World Bank will back up this proposal on certain conditions.

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